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Food Assistance Programs & Poverty Rates in Mexico

A major food assistance initiative in Mexico—Progresa—is aimed at alleviating the chronic poverty faced by many Mexicans. About 40 percent of families in Mexico are poor, but this doesn't reflect the variation in poverty rates across states—from 21 percent to 63 percent. The five most rural states are those with the highest poverty rates, while several of the states with relatively low poverty rates are near the U.S. border. The government of Mexico has indicated its commitment to eradicate poverty and improve the well-being of families in both the short and long run, with particular emphasis on the poorer states.

In addition to distributing direct food assistance, the Progresa program provides children with scholarship and financial support for school supplies and offers free basic health services to families. To the extent that Progresa helps alleviate poverty in Mexico, especially in rural areas where most of the benefits are targeted, Mexico could eventually become a larger market for U.S. agricultural and other products as incomes rise.

Technology & Food System Productivity in APEC Economies

Technology will play a key role in raising food-sector productivity to keep pace with population growth and rising affluence in the APEC region in the long term. A report released at APEC's 12th Ministerial Meeting in Brunei on November 12-14 indicates that technology will be essential in raising yields at the farm level and reducing losses, enhancing quality and freshness, and increasing the speed of delivery to consumers. The availability of new biotech methods may help offset diminishing returns from traditional plant breeding programs and help meet rising demand for greater quantities of food and dietary upgrading.

Incorporating information technology into the food supply system will provide greater access to markets for farmers, increased flows of information for market participants, opportunities for enhanced efficiency for businesses, and

better services for consumers. Technologies applied to marketing and processing food products can reduce waste and inefficiencies in the food system. Technology development and adoption is likely to be key in supporting the region's food supply system, particularly with the rapid urbanization in Asia.

Americans Relish Cucumbers

Cucumber use in the U.S. climbed steadily since the 1960's, with consumption reaching 3 billion pounds in 1999. Per capita use of cucumbers has risen during each of the past four decades, reaching 10.3 pounds in the 1990's. Sixty percent of cucumbers are consumed in fresh form, mostly at home. The remaining 40 percent is consumed as pickled products, with one-third used in fast foods, largely reflecting sandwich use (e.g., hamburgers) and associated condiment demand (relishes).

U.S. cucumber production totaled 2.4 billion pounds in 1999—about equally split between the fresh and processing markets. Average annual farm value was $361 million during 1997-99. Florida is the leading cucumber state, producing 19 percent of the nation's output during 1997-99, with Michigan a close second and California ranking third. During the 1990's, about 8 percent of the fresh-market volume was exported.

World Cotton Market: A Decade of Change

Global cotton consumption is forecast to reach a record high in 2000/01, after stagnating during much of the 1990's. The upturn in global cotton consumption is led by the developing economies of China, Pakistan, and India. In China, recent liberalization of the cotton sector and sales of government-held stocks have fueled a surge in cotton consumption. In wealthier countries, including the U.S., cotton consumption by textile producers is expected to decline as textile and apparel exports from developing Asian countries continue to displace domestic production.

For 2000/01, U.S. cotton production and demand are forecast to rise from the previous year. U.S. cotton production is currently forecast at 17.5 million 480-pound bales, or 3 percent above 1999. Increased demand for U.S. cotton is led by exports, forecast at 7.6 million bales—13 percent above 1999. U.S. cotton consumption by domestic textile mills is projected at 10 million bales, the lowest since 1991.

Conservation Reserve Enhancement Program: A Federal-State Partnership

The Conservation Reserve Enhancement Program (CREP), which allows states to supplement Federal incentives offered to farmers under the Conservation Reserve Program (CRP), has played a role in encouraging land retirement for conservation purposes in some states. In Maryland, for instance, almost half of the CRP enrollment has occurred under the CREP. The 3-year-old CREP helps participating states address more state-specific goals and target conservation practices that may not be enrollable under the CRP. The 13 states that currently participate in CREP offer a mix of Federal and state enrollment incentives, including cost sharing, rental payments, and up-front payments. However, the lack of clear relationships between economic incentives and CREP enrollment progress indicates that non-financial considerations may also play a role in determining program enrollment.